



Shareholders are welcomed to the Detroit Office for the company's 53rd Annual Meeting. President Harry B. Cunningham tells assemblage: "I am confident our sales and profit figures for 1965 and the next five years will indicate the Kresge organization has prepared well for the outstanding potential of present economic and population trends."



President Cunningham visits with Manager William H. Allgeor (left) and employee shareholders from Kresge 123 in Southfield, Mich., who are attending their first meeting.

Family Spirit Prevails at 53rd Annual Shareholders' Meeting

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T. George King, former vice president, real estate, and Russell C. Davies, former managing director of the Canadian company.

His informal introductions over Mr. Cunningham called the meeting to order. When the first official business was completed, the election of the Board of Directors, Mr. Cunningham saluted John B. Hollister, vice president, real estate, who was newly elected to the Board.

He said: "Mr. Hollister's department has been heavily involved in our move to the suburbs, in our hundreds of store-closings and, of course, most recently in the development of our K mart program. I have heard it said many times that no national retailing organization has a more highly respected real estate department. So it is a special pleasure to have the man responsible join our Board."

Before proceeding with his report on the state of the business, Mr. Cunningham commented on the retirements of three top company officers—John E. Hearst, William G. Walters and Stanley S. Kresge.

About Mr. Hearst and Mr. Walters, he emphasized: "I will not

take time to publicly praise these two officers in terms appropriate to their outstanding contribution during their long and distinguished careers . . . I am sure they are aware of our gratitude and the high regard in which they are both held by their Kresge associates."

Referring to Mr. Kresge, Mr. Cunningham remarked: "The third gentleman is not retiring today, but Mr. Stanley S. Kresge's 65th birthday will occur on June 11, and he will retire from active service as a Kresge employee on June 30 . . . It would be superfluous for me to comment at length about Stan Kresge. We all know that he is a worthy son of a distinguished father, the founder of the Kresge Company." (The remainder of Mr. Cunningham's tribute is included in Mr. Kresge's retirement story in this issue.)

Mr. Cunningham then gave his report to shareholders. Highlights of his address were:

"For the third consecutive year, we are leading all truly national retailing firms of all kinds in sales percentage increases over the preceding year's figures . . . Our new-store program continues to produce outstanding profit return on investment. With 94 K

marks now in successful operation, our organization is developing greater competence at all levels in this rapidly growing division . . . We have no intention of phasing out the Kresge variety store operation. Several hundred stores are producing satisfactory sales and profits. More than 350 are in suburban shopping centers with good future prospects . . . The Jupiter conversion program has been importantly helpful in stemming profit losses at many deteriorating (variety store) locations . . . We now expect to exceed our billion-dollar sales goal no later than 1967 . . . It is hoped that sustained improvement in earnings will justify further dividend increases, but the cash demands of our ambitious expansion program will continue to dictate a relatively conservative pay-out policy . . . We are still conservatively predicting a total 1965 sales increase of at least 17 percent, which will put us over the \$800,000,000 mark for the full year."

A lively question and answer period ended the company's 53rd Annual Meeting. Shareholders asked for some answers, offered some advice and extended some pats-on-the-back.

Sales Department Plans August Sales Contest

Plans are underway in the Detroit Office sales department and buying offices for this year's August Sales and Net Profit Contest, reported Ervin E. Wardlow, sales director and general merchandise manager.

Stores will receive contest rules by the end of the month.

Mr. Wardlow pointed out that managers can best prepare for a successful contest by starting now to follow-up closely on such important calls for orders as school hosiery, back-to-school stationery and supplies, wearing apparel information sheets, particularly those which apply to back-to-school and the August Hard Sell Program.

Referring to the August Hard Sell Program, Mr. Wardlow emphasized: "We gave the stores an especially strong program which will insure our pulling maximum traffic

into our stores every week in August."

Shares of Kresge stock will again be the prizes for winning personnel. Surveys among district managers, store managers, assistant managers and store personnel "indicated they would rather have Kresge stock than cash prizes," explained Mr. Wardlow.

Mr. Wardlow stressed: "We have large sales and profit figures to beat during August, but we are confident that with the full support of our regional office and field personnel we will have a substantial increase over August 1964."

Retiring Stanley S. Kresge Reviews His 42-Year Career

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clared: "I don't know of any other business that has had as fine a public relations representative as Stan Kresge. He's liked by everyone and his gracious sincerity has made many an employee his personal friend."

Mr. Kresge attributes much of his way of life, living according to the Bible, to the teachings of Rev. M. S. Rice, his minister from 1913 to 1943 when Rev. Rice died. He added that his father, mother and his wife have been good influences in his life, also.

In the past few years, Mr. Kresge's wife, Dorothy, whom he married in October, 1923, has often traveled with him on store visits and on speaking engagements on behalf of the company. Mr. Kresge explained that he always thought it was good public relations for the employees to meet and talk with executives' wives.

The pride and joy of Mr. and Mrs. Kresge are their three sons: Walter, who runs a metal plating plant; Stanley Jr., a dairy farmer, and Bruce, a medical doctor. With 13 grandchildren, Mr. Kresge's photography hobby is natural. He has been the official movie photographer for Detroit Office picnics for nearly 20 years.

Despite Mr. Kresge's dual career as a Kresge employee and head of The Kresge Foundation, he has contributed his time to a wide variety of civic activities. For his alma mater, Albion College, he serves on the Board of Trustees and the Committee on Finance and Investment.

In line with his devoted interest in youth, he is on the Board of Directors of Metropolitan De-

troit's YMCA, was for several years on the Board of Trustees of Boys' Clubs of Detroit, is on the advisory committees of Southern Michigan Junior Achievement and the National Music Camp, Interlochen, Mich. He also serves on the Advisory Board of Detroit's United Fund.

As an active church member, he is on the Official Board of Detroit's Metropolitan Methodist Church, chairman of the Finance Commission, a member of the Board of Trustees and chairman of the Investment Committee for Endowment. This year, he was elected chairman of the sponsoring committee of the Mayors Prayer Breakfast in Detroit.

Other activities include the Detroit Rotary Club of which he is treasurer, the Economic Club of Detroit and Michigan Week.

In the business field, Mr. Kresge is a director of Surety Federal Savings and Loan Association of Detroit and the Alexander Hamilton Life Insurance Company in Plymouth, Mich. He was, for several years, a member of Grace Hospital's Board of Directors.

The academic world has bestowed 13 honorary doctorate degrees upon Mr. Kresge for his humanitarian work. Honorary degrees include those from the University of Michigan, Ann Arbor, which he attended for three years; Albion College; William Jewell College, Kansas City, Mo.; Ohio Wesleyan University, Delaware; Iowa Wesleyan College, Mt. Pleasant; Florida Southern College, Lakeland, and Oakland University, Rochester, Mich. His most recent honorary degree was conferred on Mr. Kresge June 12 by Eastern Michigan University, Ypsilanti.



Stanley S. Kresge, vice chairman of the Board (left), presents a scholarship to the National Music Camp in Interlochen, Mich., to a 16-year-old German flutist. Mr. Kresge made the presentation for the State of Michigan when he was in Europe with George Romney, Michigan's governor, during "Michigan's Operating Europe" businessmen's trip. At right is a Berlin government employee.